

Syllabus

Course description

Course title	Financial Statement Analysis
Course code	27161
Scientific sector	SECS-P/07
Degree	Economics and Management (L-18)
Semester and academic year	2nd Semester 2019-2020
Year	OPT
Credits	6
Modular	No

Total lecturing hours	36
Total lab hours	Not foreseen
Total exercise hours	Not foreseen
Attendance	Highly recommended, but not required Students planning to regularly attend this course must register through UNIBZ course OLE (Open Learning Environment) platform as attending student in order to be able to actively participate in class blog, course upload, and other classroom related activities. Students not attending the course must register through OLE as non-attending students in order to be able to download teaching materials required to study for the final exam.
Prerequisites	Prior completion of "Introduction to Accounting" is strongly recommended to properly follow the material.
Course page	TBD

Specific educational objectives	<p>Financial statements provide information to its stakeholders on the underlying economic activity in the form of accounting numbers. We use the financial statements analysis to understand the business, assess its performance and financial future and make investment decisions. Financial statement analysis skills are required for equity and credit analysts, executives, bankers, auditors, consultants and other users of financial information.</p> <p>The main objective of this course is to equip you with the basic knowledge to:</p> <ol style="list-style-type: none"> a) read, interpret and analyze financial statements to make informed business decisions regarding investment, credit, or resource allocation; b) compare financial statements; c) analyze the quality of financial statements; d) understand and present to stakeholders the firm's financial results.
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	<p>The course addresses questions such as (1) The role of financial statements in determining firms' values (2) How to pull apart the financial statements to get at the relevant information (3) How ratio analysis aids in valuation (4) The relevance of cash flow and accrual accounting information (5) How operating and financial decisions contribute to a firm's return (6) how can we spot distorted accounting numbers (7) how can we use accounting numbers to forecast financial future of a firm</p>
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Lecturer	<p>Prof. Olga Bogachek, Office E5.10b</p> <p>Webpage: olgabogachek.com</p> <p>Schedule office hours: olgabogachek.as.me</p>
Scientific sector of the lecturer	SECS-P/07
Teaching language	English
Office hours	please refer to the lecturer's web page
Lecturing assistant	Not foreseen
Teaching assistant	Not foreseen
Office hours	No assistant
List of topics covered	<p>The main subject areas covered in the course are: the analysis of balance sheet and income statement, the analysis of the cash flow statement, the analysis of profitability, earnings quality and earnings management, simple forecasting and valuation. Please note the list of topics is tentative and we may adjust as we go along.</p>
Teaching format	<p>The course will combine in-class lectures, problem-solving and case discussions as well as assigned readings. Students are expected to participate actively in class.</p>

Learning outcomes	<p><u>Knowledge and understanding:</u></p> <ul style="list-style-type: none"> - Knowledge of the main line items of the financial statements - Knowledge of the main accounting ratios, cash flow analysis and evaluation models - Understanding financial statement analysis and evaluation tools for various business decisions <p><u>Applying knowledge and making judgment:</u></p> <ul style="list-style-type: none"> - Analyze financial statements using appropriate accounting ratios - Carry out an accounting quality analysis on a set of financial statements - Build a spreadsheet and apply automated data analysis tools and techniques to extract financial data and analyze financial statements
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	<ul style="list-style-type: none"> - Interpret the outcome of financial statement analysis and assess the financial situation of a firm <p><u>Communication and learning skills:</u></p> <ul style="list-style-type: none"> - Ability to present in oral and written form the results of a financial statement analysis and provide relevant suggestions to executives and stakeholders - Learn to read, interpret and analyze financial statements to make informed business decisions, and to apply appropriate accounting ratio analysis and cash flow analysis - Apply analytical and practical skills independently and in group.
Assessment	<p><u>Non-attending student:</u> Written exam</p> <p><u>Attending students:</u> Written exams (midterm and final) and Assignments/Group projects</p>
Assessment language	English
Evaluation criteria and criteria for awarding marks	<p><u>Not Attending Students</u> Not attending students are evaluated through a final exam (100%) that covers all the topics of the course</p> <p><u>Attending Students</u> Final 50%, Midterm/Assignments 50% The exact evaluation formula will be communicated on the first day of the course.</p>
Required readings	<p>Required: "Financial Statement Analysis and Security Valuation" by Stephen Penman, 5th edition</p> <p>Optional: "Financial Statement Analysis: A Practitioner's Guide", by M. Fridson and F. Alvarez, 4th edition</p>
Supplementary readings	In addition to the textbook and lecture notes, for some topics readings and exercises will be provided by your instructor.